Message Text

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ACTION EB-03

INFO OCT-01 ARA-06 ISO-00 SSO-00 SS-14 L-01 INR-07 INRE-00

SP-02 /034 W

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 4649

CONFIDENTIAL LIMA 2863

LIMDIS

FOR EB/TT/AV - STYLES

E.O. 11652: GDS TAGS: EAIR, PE

SUBJECT: CIVAIR - DISPUTE WITH PERU - FOURTH BRANIFF/ AEROPERU MEETING

REF: LIMA 2827

1. FOURTH MEETING ON APRIL 8 WAS EVEN BRIEFER THAN THIRD. SOTO APPEARED ALONE AND HANDED SOUTH RESPONSE TO BRANIFF'S PROPOSAL OF DAY BEFORE. HE WAITED WHILE BRANIFF DELEGA-TION READ RESPONSE, WHICH IN ESSENCE (1) NOTED THAT BRANIFF HAD ASKED FOR DEFINITIVE REPLY BY MID-DAY APRIL 9 BUT THAT IT HAD TAKEN BRANIFF FOUR DAYS TO PREPARE PROPOSAL AND AEROPERU NEEDED AT LEAST AS MUCH TIME TO STUDY IT; (2) ASSERTED THAT SOTO HAD INFORMED BRANIFF DURING APRIL 3 MEETING THAT HE HAD TO GO TO CARACAS ON APRIL 8 (NEITHER BRANIFF NOR EMBOFF WHO WAS PRESENT CAN RECALL SUCH A STATE-MENT); (3) NOTED THAT BRANIFF'S PROPOSAL DIFFERED IN SEVERAL RESPECTS FROM AEROPERU'S FEBRUARY 17 PROPOSAL, SOME OF WHICH EH ENUMERATED; AND (4) CONCLUDED WITH THE OBERVATION THAT NEGOTIATIONS WERE PROCEEDING WELL AND THAT AEROPERU'S PROPOSAL CONTEMPLATING 24 FREQUENCIES FOR BRANIFF IS GENERAOU (SIC) AND WOULD CONSTITUTE A FIFTY CONFIDENTIAL

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PERCENT IMPROVEMENT OVER ITS PRESENT TRAFFIC RIGHTS.

AS SOON AS SOUCH AHD FINISHED READING THE LETTER, SOTO SAID HE WOULD BE AVAILABLE TO CONTINUE TALKS APRIL 14 AND LEFT THE ROOM. MEETING LASTED SCARCELY MORE THAN FIVE MINUTES.

- 2. BRANIFF REPRESENTATIVES SUBSEQUENTLY MET WITH AMBASSADOR, WHO INFORMED THEM OF HIS CONVERSATION THAT MORNING (APRIL 8) WITH FOREIGN MINISTER ON THIS SUBJECT. AMBASSADOR SAID HE GAVE MINISTER COPY OF BRANIFF'S PROPOSAL BUT NOTED THAT SOTO WAS UNFORTUNATELY GOING OUT OF TOWN. MINISTER SAID HE WAS NOT AWARE SOTO'S PROJECTED TRAVEL. AMBASSADOR COMMENTED THAT HE THOUGHT PROPOSAL COULD FORM BASIS FOR AN AGREEENT, AVOIDING NECESSITY FOR PROTRACTED GOVERNMENT-LEVEL NEGOTIATIONS, AND THUS MERITED SERIOUS CONSIDERATION. MINISTER ASKED IF IT WAS ALONG LINES OF AEROPERU 24-FREQUENCY PROPOSAL, TO WHICH AMBASSADOR REPLIED THAT IT WAS BASED ON FEBRUARY 17 FORMULATION. THERE WAS NO OPPORTUNITY TO PURSUE MATTER FURTHER.
- 3. SOUTH THEN SAID THAT HE THOUGH PART 213 ACTION SHOULD BE REINSTITUTED IMMEDIATELY. AMBASSADOR COMMENTED THAT HE THOUGHT IT MIGHT BE MORE PRODUCTIVE TO CALL IN AMBASSADOR-DESIGNATE ARCE (OR CHARGE) TO SAY THAT NEGOTIATIONS AP-PEAR TO HAVE STALLED, THAT IN MEANTIME BRANIFF IS NEGOTIATING UNDER SERIOUS CONSTRAINTS WHICH ARE NOT LEVIED ON AEROPERU. AND THAT DEPARTMENT IS THEREFORE UNDER SEVERE PRESSURE TO AGREE TO REINSTATING 213 ACTION. ARCE WOULD UNDOUBTEDLY REPORT THIS IMMEDIATELY, HOPEFULLY IN TIME FOR IT TO AFFECT CABINET MEETING WHICH WE UNDERSTAND WILL BE HELD IN PARACAS ON APRIL 11 AND WHICH BRANIFF UNDER-STANDS WILL DISCUSS CIVAIR MATTER. IF CABINET MEETING PRO-DUCED NO FAVORABLE RESULTS, EMBASSY WOULD BE PREPARED SUP-PORT 213 ACTION NEXT WEEK, TAKING PART 213 ACTION WOULD THUS HAVE DOUBLE IMPACT, FIRST AS WARNING AND THEN, IF PROGRESS ON NEGOTIATIONS NOT ACHIEVED, AS ACTUALITY.
- 4. SOUTH SAID HE COULD SEE MERIT TO THIS COURSE OF ACTION, ALTHOUGH HE STOPPED SHORT OF FULL AGREEMENT. SENIOR BRANIFF REPRESENTATIVES ARE RETURNING TO U.S. EVENING APRIL 8.

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5. COMMENT: IF IN FACT WASHINGTON IS CONTEMPLATING THE EARLY REINSTITUTION OF THE PART 213 ACTION AS REPORTED TO US BY BRANIFF (SEE REFTEL), WE WOULD SUGGEST THAT THE DEPARTMENT CALL IN AMBASSADOR ARCE OR CHARGE TO GIVE HIM ADVANCE WARNING THAT THIS PROCEDURE IS BEING CONTEMPLATED. DEPARTMENT CAN REFER TO PERFUNCTORY NATURE OF NEGOTIATING MEETINGS WHICH HAVE TAKEN PLACE THUS FAR THIS WEEK (TEN MINUTES MONDAY AND ABOUT FIVE MINUTES TODAY WITH SOTO APPEARING

ALONE ON THE PERUVIAN SIDE) AND FACT THAT SOTO ANNOUNCED HIS DEPARTURE FOR VENEZUELA TODAY WHERE HE WILL REMAIN FOR THE REST OF THE WEEK ON OTHER BUSINESS. ALTHOUGH NEGOTIATIONS HAVE BY NO MEANS BROKEN DOWN. THESE DEVELOP-MENTS ARE IN SHARP CONTRAST TO THE PRESENCE IN LIMA OF THREE HIGH-LEVEL BRANIFF OFFICIALS FOR THE SPECIFIC PUR-POSE OF NEGOTIATING, AND RAISE A REAL QUESTION ABOUT SERIOUSNESS OF AEROPERU NEGOTIATING EFFORTS. THESE TACTICS ARE REMINISCENT OF THOSE RESORTED TO PREVIOUSLY BY AERO-PERU AND COULD WELL BE INTERPRETED AS DELIBERATE DELAYING TACTICS. ALTHOUGH BRANIFF HAS MADE A SERIOUS OFFER ADDING UP TO 29 FREQUENCIES AS OPPOSED TO ITS PREVIOUS 34 AND ITS DESIRED 42, AERO PERU THUS FAR HAS NOT GIVEN AN INCH AND SEEMS PREPARED TO MAINTAIN ITS HARD LINE ON SUCH KEY ISSUES AS STOP-OVER RIGHTS, ONE-YEAR TERM OF AGREEMENT (WHEN BRANIFF IS ASKING FOR THREE FOR PLANNING PURPOSES), RIGHTS TO BRAZIL AND QUOTAS ON FIFTH FREEDOM TRAFFIC.

6. IN MEANTIME, WE HERE ARE ADVISING KEY INTERESTED MINISTERS OF THESE DISAPPOINTING DEVELOPMENTS AND SUGGESTING POSSIBILITY OF RAISING NEGOTIATIONS TO HIGHER, GOVERNMENT LEVEL. WE FEEL THAT AN EXPRESSION OF CONCERN BY THE DEPARTMENT TO AMBASSADOR ARCE WITH EMPHASIS ON PRESSURES FOR REINSTATING 213 WILL HELP PLACE FURTTHER PRESSURE ON PERUVIAN NEGOTIATIONS AND REPRESENT FAIR WARNING SHOULD IT PROVE NECESSARY TO APPLY 213.

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